

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 197 - SB 731

March 30, 2011

SUMMARY OF BILL: Increases, from two to four, the hours of direct care that a nursing home must provide to each patient every day. Requires at least 3.2 hours of direct care from a nursing assistant and at least 0.8 hours of care from licensed nursing personnel.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$54,229,800

Increase Federal Expenditures - \$106,370,200

Assumptions:

- The provisions of the bill will require two additional hours of direct care to nursing home patients per day.
- According to the Bureau of TennCare, there are approximately 22,000 Medicaid nursing home residents.
- The Bureau estimates that the cost of direct care is approximately \$10 per hour because some of the care can be provided by nursing aides.
- The increase in expenditures for two additional hours of direct care is estimated to be \$160,600,000 (2 hours x 365 days per year x \$10 x 22,000).
- Of the \$160,600,000, there will be \$54,229,802 in state funds at a rate of 33.767 percent and \$106,370,198 will be federal funds at a 66.233 match rate.
- Any necessary rule changes by the Board for Licensing Health Care Facilities will be accomplished during a regularly scheduled meeting of the Board. Any cost can be accommodated within existing resources of the Board without an increase in fee revenue.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

/kml